



State of Louisiana
Department of Health and Hospitals
Office of the Secretary

April 12, 2012

The Honorable John Alario, Jr., President
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

The Honorable Charles Kleckley, Speaker
Louisiana State House of Representatives
P.O. Box 94062, Capitol Station
Baton Rouge, LA 70804-9062

The Honorable David Heitmeier, Chairman
Senate Health and Welfare Committee
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

The Honorable Scott M. Simon, Chairman
House Health and Welfare Committee
Louisiana State House of Representatives
P.O. Box 44486, Capitol Station
Baton Rouge, LA 70804-4486

The Honorable Jack Donahue, Chairman
Joint Legislative Committee on the Budget
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

Re: April Quarterly Report for Act 305 of the 2010 Regular Session

Dear President Alario, Speaker Kleckley, and Honorable Chairs:

In response to Act 305 of the 2010 Regular Session, the Louisiana Department of Health and Hospitals (DHH) submits this report. The bill requires DHH to submit quarterly reports to the House and Senate Committees on Health and Welfare and the Joint Legislative Committee on the Budget regarding the progress made in achieving sustainability in services for the New Opportunities Waiver, the Elderly and Disabled Adult Waiver, and the Long-Term Personal Care Services Program.

Implementation of a resource allocation system was mandated by the Louisiana Legislature during the 2008 Regular Session through HR 190 and SR 180, through HCR 142 of the 2009 Regular Session, and again in 2010 when Act 305 was signed into law. Even before these mandates, DHH recognized that a system that matches need and resources is necessary for the sustainability of the home and community-based service programs. Implementation of this system is consistent with national standards of practice. By embedding resource allocation within each program office's person-driven planning process, the Office for Citizens with Developmental Disabilities (OCDD) and the Office of Aging and Adult Services (OAAS) are maintaining a responsive, flexible system that allows for unique individual planning and support differences.

Resource allocation establishes a balance such that fiscal savings are recognized, supporting the sustainability of community-based programs; acknowledges the uniqueness of each recipient and the challenges of developing any model/system that can work for everyone; and allows for flexibility when appropriate with a systematic review process and quality monitoring system. Both program offices conduct ongoing analysis of the fiscal and programmatic elements of the system to determine the impact of implementation and any need for modifications.

OAAS implemented Service Hours Allocation of Resources (SHARe) in the Elderly and Disabled Waiver and the Long-Term Personal Care Services (LT-PCS) program over a twelve month period beginning in March, 2009. SHARe accomplished a number of important results, including: 1) restoring cost-neutrality to the EDA

waiver, ending the threat of federal sanctions; 2) serving over 5,000 additional recipients in the last two fiscal years, while still reducing spending for these services by \$2 million; 3) avoiding costs of approximately \$28 million that would have been incurred by the continued enrollment growth in LT-PCS; and 4) limiting rate cuts to HCBS providers which would impact access to services. Most importantly, these reductions took place with no overall increase in the percentage of persons leaving the programs to enter a nursing home, which remains at a quarterly rate of only 2%.

OCDD began implementation of Resource Allocation in the New Opportunities Waiver (NOW) in October 2009. During the initial implementation during FY 10, the Office provided an allowance for current recipients to “phase-in” to their recommended Resource Allocation level over time. Concurrently, reviews were conducted to assure the health and safety needs of the recipient are met along with negotiations to explore options that will bring the person within the recommended allocation. Nonetheless, OCDD still averaged a savings of over \$12,000.00 per recipient per year when compared to the previous fiscal year costs. This resulted in a plan savings of \$6 million in FY 10 with a projected cumulative savings of over \$44 million by the end of FY 12. The NOW program expanded participation by 8.3 percent, with only a .48 percent expenditure growth in FY 11. The expansion of the program through efficiencies has reduced the wait time for services by four years.

House Concurrent Resolution (HCR) 142 of the 2009 Regular Session of the Louisiana Legislature directed the department to develop a new waiver or state plan options for a sustainable system of home and community-based services and to continue to implement approved cost control mechanisms for the Elderly and Disabled Adult (EDA) Waiver. Rather than seek renewal of the EDA Waiver program, the Department of Health and Hospitals, Bureau of Health Services Financing and the Office of Aging and Adult Services promulgated a rule which adopted provisions to establish a new waiver program called the Community Choices Waiver, which was implemented on October 1, 2011. While subject to the same levels and federal cost restrictions as the EDA Waiver, the Community Choices Waiver provides a broader range of service options to enable the participant, in conjunction with their support coordinator, families and providers, to tailor a plan of care more responsive to the individual needs of the waiver participant. The Community Choices Waiver has all of the services that were previously offered in the EDA Waiver program as well as new services to increase the options available and to provide, where appropriate, less costly alternatives to one-to-one assistance.

Act 305 of the 2010 Regular Session required specific reporting of data that shows the progress made in achieving sustainability in home and community based services. In accordance with Act 305, the data reported below describes the number of recipients of certain services, the per person cost of those services, how those costs have changed, and related information such as the number of persons on waiting lists for services and the number of those who are receiving alternative services. There are notes on the following charts which define or describe specific data in more detail. The data continues to show that the efforts of OAAS and OCDD are moving the state towards a more sustainable community-based service model, serving more people at a lower per person average cost, yet continuing to shift the service setting from facilities into the community.

In summary, the Department’s accomplishments include:

- Lowering the average per recipient cost for home and community-based services through resource allocation.
- In FY 2011, the NOW program expanded participation by 8.3 percent, with only a .48 percent expenditure growth.
- In FY 2011, in the EDA/CCW and LT-PCS programs, the expansion of program participation was 9 percent, or 1,675 persons, with only a 3.75 percent expenditure growth.

Quarterly Data for Reporting Period October 1, 2011 – December 31, 2011, in accordance with Act 305
Previous quarter results, as reported in HCR 142 of the 2009 R.S., are included for comparison

- a) The number of recipients served in the Long-Term Personal Care Services program, the Community Choices Waiver program, and the New Opportunities Waiver program, and the average annual cost per recipient served in each program:

| Reporting Measure | Program | Report Date | | | | | | | | | | |
|-----------------------------------|---------|-------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | | Jul'09 | Oct'09 | Jan'10 | Apr'10 | Oct'10 | Jan'11 | Apr'11 | Jun'11 | Oct'11 | Dec'11 | Apr'12 |
| Number of Recipients | EDA/CCW | 3,856 | 3,568 | 3,568 | 3,758 | 3,908 | 3,989 | 4,156 | 4,291 | 4,361 | 4,331 | 4,374 |
| | LT-PCS | 8,792 | 9,464 | 10,061 | 10,878 | 12,021 | 12,170 | 12,468 | 12,611 | 13,036 | 13,967 | 13,898 |
| | NOW | 6,372 | 6,516 | 6,811 | 6,919 | 7,046 | 7,167 | 7,385 | 7,489 | 7,628 | 7,823 | 8,131 |
| Average annual cost per recipient | EDA/CCW | \$37,752 | \$24,801 | \$32,161 | \$31,169 | \$30,516 | \$29,625 | \$29,287 | \$28,785 | \$29,695 | \$29,906 | \$27,051 |
| | LT-PCS | \$21,035 | \$18,262 | \$18,407 | \$18,751 | \$18,575 | \$19,523 | \$18,389 | \$16,857 | \$16,273 | \$15,732 | \$15,633 |
| | NOW | \$70,472 | \$68,528 | \$67,541 | \$65,844 | \$64,408 | \$62,964 | \$61,628 | \$59,794 | \$59,461 | \$59,103 | \$58,287 |

- b) The number of recipients in each program whose annual cost of services exceeds the average cost for that program:

| Reporting Measure | Program | Report Date | | | | | | | | | | |
|---|---------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | Jul'09 | Oct'09 | Jan'10 | Apr'10 | Oct'10 | Jan'11 | Apr'11 | Jun'11 | Oct'11 | Dec'11 | Apr'12 |
| Number of recipients whose cost exceeds program average | EDA/CCW | 1,799 | 1,753 | 1,733 | 1,782 | 1,962 | 2,032 | 2,192 | 2,167 | 2,182 | 2,138 | 2,096 |
| | LT-PCS | 2,527 | 4,755 | 5,144 | 5,754 | 6,476 | 6,924 | 6,992 | 6,666 | 6,396 | 5,850 | 5,836 |
| | NOW | 2,754 | 2,895 | 2,946 | 2,965 | 2,989 | 2,952 | 2,963 | 2,840 | 2,844 | 2,921 | 3,003 |

**annual cost of services/service cost is defined as the approved costs in the annual plan of care for a waiver-participant. The plan of care is re-evaluated at least annually and may increase or decrease as the needs of the participant change.*

- c) The number of recipients in each program whose annual service cost has increased from the previous year:
- CCW: Nine hundred forty six (946) CCW participants had their annual reassessment between October 1, 2011 and December 31, 2011. Three hundred fifty three (353) had an increase over their previous year's plan. The median increase for those 353 was \$1,180 annually. The median change from state fiscal year 2010 to state fiscal year 2011 for all 946 participants was no change -\$0.
 - LT-PCS: Two thousand seventy nine (2,079) LTPCS participants had their annual reassessment between October 1, 2011 and December 31, 2011. Nine hundred seventy two (972) had an increase over their previous year's plan. The median increase for those 972 was \$3,200 annually. However, the median change from state fiscal year 2010 to state fiscal year 2011 for all 2,079 participants was a decrease of \$122.

- NOW: One thousand five hundred seventy one (1,571) participants had a new comprehensive plan of care (CPOC) that started between July 1, 2011 and December 31, 2011 and had a prior CPOC. Four hundred seventy seven (477) or 30.4% had a cost increase. The median increase for those 477 was \$7,643 annually. However, the median change from state fiscal year 2009 to state fiscal year 2012 for all 1,571 CPOCs was a decrease of \$1,824.

d) The number of persons on waiting lists for each program:

| Reporting Measure | Program | Report Date | | | | | | | | | | |
|-------------------------------|---------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | Jul'09 | Oct'09 | Jan'10 | Apr'10 | Oct'10 | Jan'11 | Apr'11 | Jul'11 | Oct'11 | Dec'11 | Apr'12 |
| Request for Services Registry | EDA/CCW | 11,246 | 11,989 | 12,511 | 17,250 | 18,696 | 19,433 | 19,284 | 18,200 | 20,199 | 24,244 | 25,667 |
| | NOW | 9,287 | 9,263 | 9,440 | 9,372 | 9,453 | 9,838 | 10,011 | 9,887 | 8,135 | 8,329 | 8,832 |

e) The number of persons on waiting lists who are currently receiving services and the type of services they are receiving:

| Reporting Measure | Program | Report Date | | | | | | | | | | |
|--|----------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | Jul'09 | Oct'09 | Jan'10 | Apr'10 | Oct'10 | Jan'11 | Apr'11 | Jul'11 | Oct'11 | Dec'11 | Apr'12 |
| The number of persons on the EDA/CCW waiting list who are currently receiving services and the type of services they are receiving | LT-PCS | 3,389 | 3,716 | 3,605 | 5,363 | 5,565 | 6,257 | 5,540 | 5,557 | 5,915 | 6,623 | 6,684 |
| | ADHC | 351 | 341 | 330 | 376 | 406 | 452 | 464 | 480 | 504 | 533 | 447 |
| | NOW | 47 | 47 | 41 | 47 | 86 | 77 | 87 | 90 | 109 | 119 | 108 |
| | Supports | 73 | 76 | 75 | 128 | 133 | 130 | 129 | 138 | 143 | 175 | 142 |
| Reporting Measure | Program | Jul'09 | Oct'09 | Jan'10 | Apr'10 | Oct'10 | Jan'11 | Apr'11 | Jun'11 | Oct'11 | Dec'11 | Apr'12 |
| The number of persons on the NOW waiting list who are currently receiving services and the type of services they are receiving | LT-PCS | 272 | 210 | 212 | 208 | 196 | 213 | 165 | 177 | 132 | 152 | 189 |
| | ADHC | 28 | 22 | 23 | 15 | 16 | 16 | 14 | 15 | 19 | 19 | 19 |
| | EDA/CCW | 143 | 145 | 146 | 135 | 120 | 119 | 103 | 110 | 80 | 83 | 99 |
| | ROW | | | | | | | | | 6 | 4 | 6 |
| | Supports | 1,191 | 1,208 | 1,265 | 1,184 | 1,157 | 1,007 | 938 | 968 | 914 | 970 | 1078 |

- f) The number of persons moved from an existing service to the New Opportunities Waiver and the additional cost or savings for each person :

| TRANSFER PROGRAM TYPE | TOTAL TRANSFERS SFY 2010-2011 | TRANSFERS THRU 1ST QTR SFY 2011-2012 | TRANSFERS THRU 2ND QTR SFY 2011-2012 | TRANSFERS THRU 3RD QTR SFY 2011-2012 | TRANSFERS THRU 4TH QTR SFY 2011-2012 | ESTIMATED ANNUAL SAVINGS/ INCREASE |
|-------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|------------------------------------|
| PRIVATE ICF/MR | 54 | 18 | 28 | | | -\$221,256 |
| CHILDREN'S CHOICE | 83 | 18 | 45 | | | \$1,935,945 |
| RESIDENTIAL OPTIONS | 0 | 0 | 2 | | | \$48,768 |
| SUPPORTS WAIVER | 163 | 35 | 94 | | | \$4,324,846 |
| NURSING HOME | 1 | 1 | 1 | | | \$19,024 |
| SUPPORTS AND SERVICES CENTERS | 64 | 24 | 42 | | | -\$6,075,552 |
| CCW & LT-PCS | 25 | 10 | 22 | | | \$603,224 |
| ADHC & LT-PCS | 2 | 2 | 2 | | | \$68,243 |
| TOTAL | 392 | 108 | 236 | 0 | 0 | \$703,242 |

CHART NOTES

1. As of December, 2011, 650 persons have been certified into the New Opportunities Waiver (NOW) during state fiscal year 2011-2012.
2. 236 of these participants were previous recipients of the Medicaid programs listed above before their New Opportunities Waiver certification.
3. The savings/increase estimated is based on the average cost per recipient of each program as compared to the average cumulative 1st quarter average cost of the NOW.
4. Average cost information in this comparison does not include acute care.
5. The estimated increase in cost of \$703,242 above the previous program cost will be adjusted each quarter to reflect updated expenditures and plan information.

- g) The average cost of persons receiving services from both the Long Term Personal Care Services program and the Elderly and Disabled Adults Waiver (Community Choices Waiver) program:

- Effective July 1, 2010, persons enrolled in the Elderly and Disabled Adults Waiver (Community Choices Waiver) receive personal assistant services under the waiver and no longer utilize Long Term Personal Care Services.

- h) The average cost for persons receiving services in privately operated nursing facilities and privately operated intermediate care facilities for persons with developmental disabilities:

| Report Date | | | | | | | | | | | | |
|--|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Reporting Measure | Program | Jul'09 | Oct'09 | Jan'10 | Apr'10 | Oct'10 | Jan'11 | Apr'11 | Jul'11 | Oct'11 | Dec'11 | Apr'12 |
| Average annual cost Institutional Services | NF | \$31,782 | \$33,915 | \$33,915 | \$33,915 | \$37,480 | \$40,577 | \$40,577 | \$40,025 | \$40,577 | \$40,570 | \$ 43,485 |
| | ICF/DD | \$62,305 | \$64,476 | \$64,130 | \$64,468 | \$64,302 | \$62,630 | \$71,014 | \$67,917 | \$61,591 | \$63,008 | \$62,372 |

* changed the NF reporting in Oct'11—using annualized monthly per capita expenditures—a better comparison to plan of care cost.

- i) The number of waiver recipients whose cost of care exceeds the average cost of the services being waived:

| Reporting Measure | Program | Report Date | | | | | | | | | |
|---|---------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | Jul'09 | Jan'10 | Apr'10 | Oct'10 | Jan'11 | Apr'11 | Jul'11 | Oct'11 | Dec'11 | Apr'11 |
| The number of waiver recipients whose cost of care exceeds the average cost of the services being waived* | EDA/CCW | N/A | N/A | N/A | 1,502 | 142 | 166 | 194 | 165 | 211 | 27 |
| The number of waiver recipients whose cost of care exceeds the average cost of the services being waived* | NOW | N/A | N/A | N/A | 2,948 | 118 | 2,619 | 1,463 | 1355 | 1438 | 1430 |

*Waived cost is defined as the number of CCW/NOW participants whose approved waiver costs exceed the institutional average cost. Private nursing facility cost is used for CCW comparison while cost of all intermediate care facilities for persons with developmental disabilities is used for NOW comparison.

*The 118 reflects the impact of the December payout due to the decrease in Louisiana's Federal Medicaid Assistance percentage (FMAP) in January, 2011.

Thank you for allowing us to present information that shows the progress DHH has made in making improvements to and achieving sustainability in home and community-based services. We are happy to discuss this report with you should you have any questions or comments. Please contact me at (225) 342-7092 with any questions that you may have.

Sincerely,



Kathy Kliebert
Deputy Secretary

Cc: David R. Poynter Legislative Research Library
The Honorable Members of the House Health and Welfare Committee
The Honorable Members of the Senate Health and Welfare Committee
The Honorable Members of the Joint Legislative Committee on the Budget